



Health Services
LOS ANGELES COUNTY

May 8, 2007

Los Angeles County
Board of Supervisors

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through leadership,
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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVE AMENDMENT NO. 2 TO AGREEMENT WITH RAD-IMAGE
MEDICAL GROUP, INC. FOR SPECIALTY AND TEMPORARY
TELERADIOLOGY SERVICES
(2nd and 5th Districts) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Director of Health Services, or his designee, to execute and sign Amendment No. 2 (Exhibit I) to Agreement No. H-701025 with Rad-Image Medical Group, Inc. (Rad-Image), to continue the provision of temporary teleradiology services to Harbor-UCLA Medical Center (Harbor) and Martin Luther King, Jr.-Harbor Hospital (MLK-Harbor), extend the hours of coverage to 24 hours for weekends and holidays, expand the provision of these services to include Olive View-UCLA Medical Center (OVMC), and extend the term of the Agreement, effective May 17, 2007 through May 16, 2008, for a total maximum obligation of \$570,140, with a request for a month-to-month extension for a maximum of six additional months through November 16, 2008, for an additional maximum obligation of \$285,070.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

Approval of the Amendment to the Agreement with Rad-Image will continue the provision of teleradiology services to MLK-Harbor and Harbor through May 16, 2008, extend the hours of coverage to 24 hours for weekends and holidays, and expand the provision of these services to include OVMC to provide additional radiology support staff for the Department of Health Services (DHS or the Department).

FISCAL IMPACT/FINANCING:

The total maximum obligation for the amendment to the Agreement with Rad-Image, effective May 17, 2007 through May 16, 2008, is \$570,140, consisting of \$175,140 for MLK-Harbor, \$345,000 for Harbor, and \$50,000 for OVMC.

The maximum obligation for the month-to-month extension, effective May 17, 2008 through November 16, 2008, is \$285,070, consisting of \$87,570 for MLK-Harbor, \$172,500 for Harbor and \$25,000 for OVMC.

Funding is included in the Department's Fiscal Year (FY) 2006-07 Final Budget, the FY 2007-08 Proposed Budget, and will be requested in FY 2008-09 as needed.

Payments to the contractor are based on a per-image read basis, with an additional flat rate fee per shift, a shift being from 7:00 p.m. to 7:00 a.m. (Attachment B).

The hours of coverage for Harbor and MLK-Harbor have been extended to 24 hours for weekends and holidays, however because the annual maximum obligation for MLK-Harbor was reduced by \$804,860 from the previous year, this expansion of the hours of coverage does not result in an increase to the contract costs for MLK-Harbor or Harbor.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The Department has experienced difficulty with the recruitment and retention of qualified physician radiologists. This shortage of qualified radiologists results in inadequate coverage particularly during the evening hours.

On March 4, 2005, in an effort to address these critical staffing shortages, the Department processed an emergency purchase order to acquire the services of Rad-Image, Inc. to provide temporary teleradiology services during evening and night hours. However, the term and funding allowed under the purchase order only provided coverage through March 31, 2005.

On May 17, 2005, your Board approved a sole source agreement with Rad-Image to provide temporary teleradiology services. The services provided under this teleradiology agreement were during the hours of 11:00 p.m. to 7:00 a.m. and were referred to as "Nighthawk". Nighthawk services are performed off-site where a radiologist receives images forwarded electronically from the DHS facilities.

On April 4, 2006, your Board approved Amendment No. 1, which extended the contract term through May 16, 2007, modified the shift to provide coverage between the hours of 7:00 p.m. to 7:00 a.m. and delegated authority to the Department to add additional facilities.

The recommended approval of this Amendment will continue the provision of teleradiology services to MLK-Harbor and Harbor, modify the hours of coverage to 24 hours for weekends and holidays, expand the provision of services to OVMC and extend the contract term effective May 17, 2007 through May 16, 2008 with an additional month-to-month extension through November 16, 2008. The staffing issues by facility are as follows:

MLK-Harbor

Maintaining sufficient staff continues to be a concern for MLK-Harbor. This recruitment problem became increasingly more difficult when the Accreditation Council on Graduate Medical Education removed the accreditation for their radiology resident training program, resulting in the loss of supplemental coverage provided by medical residents. Subsequently, staffing levels were reduced even further by the departures of additional radiologists.

MLK-Harbor performs approximately 26,000 studies annually which is an estimated 2,167 studies per month, which includes the expanded provision of 24 hour coverage for weekends and holidays, and additional radiologists are needed to address this volume of work. The extended provision of services provided by Rad-Image is necessary to maintain the staffing levels required to provide services to the

patients served by MLK-Harbor. The hours of coverage for MLK-Harbor will be extended to include 24 hour coverage for weekends and holidays.

Harbor

The continued provision of temporary teleradiology services to Harbor is necessary because there are existing staff shortages that also impact the delivery of services for this facility. It is difficult to recruit qualified physicians to provide comprehensive coverage on a 24-hour basis, especially during the evening and night hours. Harbor performs approximately 168,000 radiological exams annually which is an estimated 14,000 radiological exams per month and approximately 7,200 studies annually. Additional radiologists are needed to address this volume of work. In order to provide the staffing levels necessary for the needs of the service, an extension of the provision of these services is necessary. The hours of coverage for Harbor will be extended to include 24-hour coverage for weekends and holidays.

OVMC

As in the case with the other DHS facilities, OVMC has also experienced a shortage of qualified radiologists to provide comprehensive coverage on a 24-hour basis, especially during the evening and nighttime hours. OVMC performs approximately 1,500 radiological studies annually and additional radiologists are needed to augment the existing staff to address this volume of work. In order to provide the staffing levels necessary for the needs of the service, an extension of the provision of these services is necessary for all of the aforementioned DHS facilities.

The scope of the services to be provided for each DHS facility will consist of teleradiology services provided during the night hours of 7:00 p.m. to 7:00 a.m., seven days a week, including holidays. For the facilities of Harbor and MLK-Harbor, the hours of coverage will be expanded to 24-hours during weekends and holidays, but will not result in an increase to the contract costs from the prior contract year. The services will be provided off-site where a radiologist will receive images forwarded electronically from the facility. Upon receipt, the radiologist will review the images, prepare preliminary reports, send the preliminary reports to the facility and provide consultations by telephone, as necessary.

The Agreement with Rad-Image will continue to include the standard provisions which were modified during negotiations with the Contractor and the recommendations from County Counsel. The major modifications include providing Rad-Image with mutual indemnification, an elimination of the County's ability to buy insurance in the event the Contractor fails to maintain required insurance coverage, and a limitation on damages if the Contractor fails to comply with indemnification or insurance requirements.

DHS has made a determination that the services are of a professional nature and are required on a temporary basis. These services will be utilized for Nighthawk teleradiology services for which County employees and County re-employment list personnel are not available.

Under the termination provisions of this Agreement, either party may terminate the Agreement with a 30-day advance written notice to the other party.

Attachments A and B provide additional information.

County Counsel has reviewed and approved Exhibit I, as to use and form.

CONTRACTING PROCESS:

On May 17, 2005, the Board approved a sole source agreement with Rad-Image for the provision of temporary teleradiology services to King/Drew. The critical emergency that existed did not allow the opportunity for the Department to complete and release an open competitive solicitation for the provision of these services.

The Department has prepared the initial draft of a Request for Qualifications (RFQ), however, the document requires additional information, modifications, reviews and approvals before it can be released. The RFQ will be utilized to provide a resource list of qualified and available candidates with California licenses that can be utilized to address the staffing shortages, as needed, in DHS. The RFQ will be advertised on the Office of Small Business Countywide Web Site.

The Department has determined that these services do not fall under the Proposition A guidelines and because they are professional and temporary and therefore are not subject to the Living Wage Ordinance.

IMPACT ON CURRENT SERVICES (OR PROJECT):

Board approval of the recommended Amendment will ensure the continued provision of temporary teleradiology support to these DHS facilities, as needed.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:ks
BLRadImageAmend22007.wpd

Attachments (3)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AMENDMENTS

1. TYPE OF SERVICE/PROJECT:

Temporary teleradiology services.

2. AGENCY ADDRESS AND CONTACT PERSON:

Rad-Image Medical Group, Inc.
100 Oceangate, Suite 1000
Long Beach, California 90802
Attention: Jagdish M. Patel M.D., President
Telephone: (562) 590-7408

3. TERM:

Amendment: May 17, 2007 through May 16, 2008.
Month-to-Month: May 17, 2008 through November 16, 2008.

4. FINANCIAL INFORMATION:

The total maximum obligation for the amendment to the Agreement with Rad-Image, effective May 17, 2007 through May 16, 2008, is \$570,140, consisting of \$175,140 for MLK-Harbor, \$345,000 for Harbor and \$50,000 for OVMC. The maximum obligation for the month-to-month extension, effective May 17, 2008 through November 16, 2008, is \$285,070, consisting of \$87,570 for MLK-Harbor, \$172,500 for Harbor and \$25,000 for OVMC. Funding is included in the Department's Fiscal Year (FY) 2006-07 Final Budget, the FY 2007-08 Proposed Budget, and will be requested in FY 2008-09 as needed.

5. GEOGRAPHIC AREA TO BE SERVED:

Second and Fifth Supervisorial Districts.

6. ACCOUNTABLE FOR MONITORING AND EVALUATION:

Administrators and Medical Directors at MLK-Harbor, Harbor and OVMC.

7. APPROVALS:

Martin Luther King, Jr.-Harbor Hospital:	Antoinette Smith-Epps, CEO
Harbor-UCLA Medical Center:	Miguel Ortiz-Marroquin, Acting CEO
Olive View-UCLA Medical Center:	Gretchen McGinley, Acting CEO
Contract and Grants:	Cara O'Neill, Chief
County Counsel (review):	Sharon A. Reichman, Principal, Deputy County Counsel

**SPECIALTY MEDICAL SERVICES AND
TEMPORARY MEDICAL PERSONNEL SERVICES AGREEMENT**

MAXIMUM RATES BY AGREEMENT

- **Coverage:** A fixed fee in the amount of One Hundred Fifty Dollars (\$150) for each Shift.
- **Professional Services:** A fee for each Study*, determined on a monthly basis, as follows:
- (i) \$40 per Study, up to a total of 200 Studies, during a calendar month (Studies Numbers 1-200/calendar month);
 - (ii) \$36 per Study, for any Study during a calendar month after the first 200 Studies in the same calendar month (Studies Numbers 201-400/calendar month);
 - (iii) \$34 per Study, for any Study during a calendar month after the first 400 Studies in the same calendar month (Studies Numbers 401-600/calendar month);

For example, the compensation described in this section payable to Contractor for a calendar month in which there are 450 Studies shall be \$16,900, calculated as follows:

- (i) Studies Nos. 1-200 @ \$40 (200 Studies x \$40 = \$8,000);
- (ii) Studies Nos. 201-400 @ \$36 (200 Studies x \$36 = \$7,200); and
- (iii) Studies Nos. 401-450 @ \$34 (50 Studies x \$34 = \$1,700).

Total compensation includes the Coverage Fee plus the Professional Services Fee.

*"Study" is defined as a procedure that is described under a particular procedural code under the then-applicable Current Procedure Terminology (CPT) of the American Medical Association, consistent with generally accepted billing practices (whether or not a particular payer in any particular case actually pays the bill for such procedure). For example, if two (2) CPT codes are utilized, consistent with generally accepted billing practices, to describe the professional services furnished under this Agreement, there would be fees for two (2) Studies under this agreement.